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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



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July 18, 2011

TO: Each Supervisor

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **PHYSICIAN SERVICES FOR INDIGENTS PROGRAM
(PSIP) STATUS REPORT**

On February 16, 2010, your Board instructed the Auditor-Controller (A-C) to conduct a policy and operational review of the Department of Health Services (DHS) Physician Services for Indigent Program (PSIP). On March 11, 2011 the A-C issued the results of its review, which included several recommendations to improve the program's administration. One recommendation was that DHS submit semiannual status reports to the Board to further increase transparency. This report is in response to that recommendation and addresses program data, major reimbursement issues and other pertinent information.

Effective July 2009, the physician reimbursement rate was reduced to 18% of the Official County Fee Schedule (OCFS). This reduction was made as a result of the State's elimination of the Emergency Medical Services Appropriation (EMSA). The 18% rate is below the average MediCal reimbursement rate.

Effective July 2010, with your Board's approval, DHS implemented one of the A-C's recommendations and offered a three (3) year enrollment to the participating providers through June 2013. Attached is a schedule which shows the program's enrollment and claim data for Fiscal Year (FY) 2009-2010 and year-to-date FY 2010-2011.

DHS is currently calculating the reimbursement rate for FY 2011-2012, based on projected funding and historical claim volume. DHS will provide your Board with our calculations and recommendations in August 2011. If a rate change is indicated, DHS will submit the rate recommendation to your Board for approval in September 2011. This will allow sufficient time to inform the providers and ensure that claims can be paid as soon as they are submitted beginning October 2011. As stated in the California Health and Safety Code Section 1797.98a, DHS is required to allocate projected revenues to ensure some payment of all eligible claims.

The next update report will be submitted in January 2012. In the meantime, we will keep you informed of any changes in the program.

Each Supervisor
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If you have any questions, please contact me or Cathy Chidester, EMS Director, at (562) 347-1604.

MHK:cc

Attachment

c: Executive Office, Board of Supervisors
 County Counsel
 Chief Executive Office
 Auditor-Controller
 Emergency Medical Services Commission
 Hospitals and Health Care Delivery Commission

**COUNTY OF LOS ANGELES-- DEPARTMENT OF HEALTH
PHYSICIAN SERVICES FOR INDIGENTS PROGRAM (PSIP)
As of June 2011**

Category	FY 2009-10 Actual	FY 2010-11 YTD ⁽¹⁾
Physicians enrolled	4,676	4,375
Claims Paid	358,000	180,465
Claims returned/denied (2)	93,238	28,809
Total reimbursement	\$ 17,492,699	\$ 8,856,495
Average reimbursement per claim (3)	\$ 49	\$ 49

(1) Deadline for physicians to submit/re-submit FY 10-11 claims is October 30, 2011

(2) Some claims are re-submitted/appealed for payment

(3) Reimbursed at 18% of OCFS